

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

RULES GOVERNING ENERGY SOURCE DISCLOSURE

Date of Public Notice: November 15, 2004, February 1, 2005
Date of Public Hearing: December 15, 2004, February 18, 2005
Effective Date: April 1, 2005

I. Purpose, Methodology and Findings

II. Statutory Authority

The Commission has the statutory authority to promulgate these Rules under R.I. Gen. Laws §§ 42-35 et seq., 39-1 et seq., 39-2 et seq., 39-26-9.

III. Definitions

- A. “Commission” means the Public Utilities Commission.
- B. “Division” means the Division of Public Utilities and Carriers.
- C. “Electrical energy product” means an electrical energy offering, including but not limited to last resort and standard offer service, that can be distinguished by its generation attributes or other characteristics, and that is offered for sale by an obligated entity to end-use customers.
- D. “Electric distribution company” means a company engaging in the distribution of electricity or owning, operating, or controlling distribution facilities.
- E. “Eligible renewable energy resource” means resources as defined in R.I. Gen. Laws § 39-26-5.
- F. “End-use customer” means a person or entity in Rhode Island that purchases electrical energy at retail from an obligated entity or directly from the ISO-NE wholesale market.
- G. “Generation attributes” means the non-price characteristics of the electrical energy output of a generation unit including, but not limited to, the unit’s fuel type, emissions, vintage and policy eligibility.

- H. “ISO-NE” means the Independent System Operator in New England the Regional Transmission Organization or any successor organization responsible for the day-to-day reliable operation of New England’s bulk power generation and transmission system, oversight of the region’s wholesale electricity markets, and management of a comprehensive regional bulk power system planning process.
- I. “NE-GIS” means the generation information system operated by NEPOOL, its designee or successor entity, which includes a generation information database and certificate system, and that accounts for the generation attributes of electrical energy consumed within NEPOOL.
- J. “NE-GIS certificate” means an electronic record produced by the NE-GIS that identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.
- K. “NEPOOL” means New England Power Pool or its successor.
- L. “Nonregulated power producer” or “NPP” shall be defined in the same manner as it is defined under R.I. Gen. Laws § 39-1-2.
- M. “Obligated entity” means a person or entity that sells electrical energy to end-use customers in Rhode Island, including, but not limited to: nonregulated power producers and electric utility distribution companies, as defined in R.I. Gen. Laws § 39-1-2, supplying standard offer service, last resort service, or any successor service to end-use customers; including Narragansett Electric, but not to include Block

Island Power Company as described in R.I. Gen. Laws § 39-26-7 or Pascoag Utility District. An Obligated entity shall not include ISO-NE or NEPOOL. NPP members of NEPOOL are Obligated entities.

IV. Applicability

- A. These Rules shall be applicable to all Obligated entities.

V. Disclosure Requirements

- A. The Energy source disclosure shall be written in “plain English” and shall indicate what sources of energy were used to generate electricity for each Electrical energy product, expressed as a percentage of the total amount of energy used towards each Electrical energy product. Obligated entities shall use the energy fuel source disclosure categories as provided by the NE-GIS. The Energy source disclosure shall show the percentages of energy obtained from each of the Eligible renewable energy resources, as well as the percentage energy obtained from nuclear plants, natural gas, oil (which may include any fossil fuel), hydroelectric plants that are not Eligible renewable energy resources, coal, and any other energy source reported by the NE-GIS. The Energy source disclosure shall also indicate the emissions created as a result of generating said electricity as provided by the NE-GIS in pounds per MWH. Such emissions shall also be presented as a percentage of the New England regional average, as provided by the NE-GIS for the same time period. All percentages shall be calculated to the nearest one-tenth of a percent.

- B. Energy source disclosures shall be distributed to consumers on a quarterly basis covering the most recent one-year period, including the most recent quarter for which NE-GIS data has been finalized. For the first year of disclosure under these regulations, Obligated entities may phase in the quarterly information rather than providing the most recent one-year period.
- C. The Obligated entities shall be allowed to recover in the retail rate of the Electrical energy product all incremental costs associated with preparation and distribution of the disclosure label.
- D. NE-GIS certificates shall be used for the calculation of the Energy source disclosure.
- E. In accordance with R.I. Gen. Laws § 39-26-9(e), the Energy source disclosure presented to any particular End-use customer shall take into consideration and account for voluntary purchases of Generation attributes or related products, including purchases made by the End-use customer from providers other than the Obligated entity, even if the End-use customer is billed by the Obligated entity and also served by that Obligated entity's Electrical energy product. To that end, each supplier of renewable energy directly to an end-user including those suppliers in the Green-Up Program, its successor, or any similar program approved by the Commission shall provide an Energy source disclosure directly to that customer. The Electric distribution company shall not provide an Energy source disclosure to any customer

receiving standard offer service or last resort service who is also enrolled in the Green-Up Program, its successor, or any similar program that has been approved by the Commission.

VI. Enforcement and Oversight

- A. Quarterly, commencing on July 1, 2005, three months following the Effective date of these Rules Governing Energy Source Disclosure By Obligated Entities, each Obligated entity shall file with the Commission a copy of the Energy source disclosure label along with a summary report of certificates assigned as generated by the NE-GIS that it presents to an end-user covering the most recent twelve-month period.
- B. Annually, commencing July 1, 2006, each electric distribution company shall file with the Commission a report setting forth the incremental costs to the electric distribution company, whether or not passed through to end-users, of carrying out the Commission's Rules Governing Energy Source Disclosure By Obligated Entities, including the NE-GIS costs, and incremental printing and postage costs associated with preparation and distribution of the disclosure label during the prior twelve-month period.
- C. In the event an Obligated entity who is an NPP does not comply with the Commission's Rules Governing Energy Source Disclosure By Obligated Entities, the Commission will advise the Division and the

NPP for an investigation under the Division's Rules Applicable to Nonregulated Power Producers III(B)(3).

- D. In the event an Electric distribution company does not comply with the Commission's Rules Governing Energy Source Disclosure By Obligated Entities, the Commission will undertake an investigation to determine whether or not to deny recovery through rates of all or a portion of that quarter's expenses directly resulting from noncompliance with R.I. Gen Laws 39-26-1 et seq.

VII. Effective Date for Compliance

The effective date for these Rules shall be April 1, 2005.

VIII. Severability

If any part of these Rules is found to be invalid or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Rules which can be given effect without the invalid provision or application, and to this end, the provisions of these Rules are severable.